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Deep cuts, closures across the state at heart of budget plan

Beaches, parks, schools and prisons would be hit. Some think the governor's proposal is a ruse to get a tax hike.

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SACRAMENTO — Gov. Arnold Schwarzenegger is expected today to propose shutting 48 state parks -- including some popular Southern California beaches -- releasing far more prison inmates than previously projected and increasing car fees for the second straight year as part of his solution to the state's fiscal crisis.

And 14 months after persuading voters to borrow \$37 billion for public works improvements, his administration will propose roughly \$40 billion in new borrowing for infrastructure needs related to schools, courts, water systems, higher education and high-speed rail.

The budget blueprint, shaping up as the harshest since Schwarzenegger was first elected in 2003, will include scores of spending reductions that would affect people across the state. School spending would be rolled back by about \$3 billion. Welfare payments for tens of thousands of children whose families are considered to be at high risk for homelessness would be eliminated.

A cost-of-living increase for the elderly, blind and disabled receiving state assistance would be canceled, as would state-funded dental visits for the poor.

The cuts, described by officials familiar with the governor's proposals, are so deep that some in the Capitol are already dismissing the plan as a ruse -- an attempt to stir up so much public demand for a tax hike that the governor will ultimately be able to break his pledge not to take that route.

No multibillion-dollar tax increases are in the Schwarzenegger plan for now, the officials said. The proposal offers the governor's vision of how to bring the budget into balance without new revenue.

It is certain to rattle voters.

Bolsa Chica, Will Rogers, San Clemente, Carlsbad and San Onofre state

beaches would all be closed to visitors. Topanga and Mt. San Jacinto state parks would be shut down. Lifeguards and other seasonal staff would be laid off.

"They're trying to raise that as the bloody red shirt that will pave the way for a tax increase," said one high-ranking Republican, who spoke on condition of anonymity for fear of angering the governor.

Administration officials refused to comment on the proposal.

"We are going to wait to allow the governor to roll out the budget," said Schwarzenegger spokesman Aaron McLearn.

Protest had begun even before the budget was released.

School groups were already mobilizing a campaign to fight the cuts, including the governor's plan to ask lawmakers to suspend voter-approved spending formulas that guarantee schools about 40% of state revenue. The organizations are planning to begin televising advertisements this month calling on the public to resist such a suspension.

Bob Wells, executive director of the Assn. of California School Administrators, called a school funding rollback "outrageous."

"Schools didn't cause this budget problem," he said. The governor and lawmakers "binged on other spending in good years and want to purge school spending in bad years. That is not fair."

State Senate leader Don Perata (D-Oakland) said he has already started fielding complaints, including one from Ronald M. George, chief justice of California. The jurist warned that the cuts the governor wants would decimate some services and possibly interfere with legal mandates.

George said he pulled the governor aside after the State of the State address and warned him that the proposed cuts to the courts would be devastating.

"I told him I have very great concerns that the operations of the court could be crippled if these are carried out," George said.

Perata said of the budget to be unveiled today: "I expect it's going to be bad." He and other Democrats have already begun calling for a tax increase to avoid some of the proposed cuts. Republicans, who are in the minority but hold enough votes to block new taxes, have vowed to resist.

The criminal justice proposal that is expected to generate the strongest opposition is the possible early release of as many as 50,000 nonviolent offenders -- 10,000 to 20,000 more than previous estimates of 30,000. Under the

plan, the state would also stop monitoring tens of thousands of parolees.

Schwarzenegger said last year that he was strongly against releasing prisoners early. But his new proposal would have the dual benefit of cutting the budget and pleasing a three-judge federal panel that within months is scheduled to hold a trial on state prison overcrowding. Many state lawmakers, particularly Republicans, have said that the prisoner release plan would be dead on arrival in the Legislature.

Assemblyman Todd Spitzer (R-Orange) said such proposals, certain to be unpopular with the public, appear intended to bring "the full force of every interest group to bear on the state Legislature so we have to pick the winners and losers, or consider having to raise new revenue." Spitzer repeated the Republicans' pledge not to raise taxes.

While the prisons plan would save hundreds of millions of dollars, the park plan would save \$13 million. Perata said lawmakers might consider user fee increases as an alternative to shutting the parks.

"I know a lot of people think parks should be free, but we seem to be well beyond that point in California, and most of us would agree that classroom education is more important than state park admission," Perata said.

Any such fees would come on top of an \$11 fee increase for registering vehicles. The money would be used to fund the California Highway Patrol and the Department of Motor Vehicles. It follows a registration fee hike of as much as \$11 that Schwarzenegger signed into law last fall to fund research into alternative fuels.

Advocates for the poor, meanwhile, expressed exasperation that the needy were once again targeted for major reductions.

Safety net grants intended for children whose parents do not meet work requirements in the state's welfare program would be eliminated. So would grants for the children of some legal and illegal immigrants. "It looks like the governor is not doing anything new," said Nancy Berlin, director of California Partnership, a coalition of community groups. "He is just bringing out the same cuts, targeting the same low-income families that have taken the brunt of the cuts for the last three years. There has to be a more responsible and fair way to balance the budget than to keep going after low-income children."

The \$40 billion in borrowing that Schwarzenegger will propose comes after a similar effort that stalled last year. The money would be used for building projects, including courthouses, schools and university buildings. About \$10 billion would be set aside for water projects.

Perata said he is open to the possibility of a new infrastructure bond issue -- at least for water projects -- but cautioned that interest costs would only add to the state's financial burdens. The state already faces difficulty keeping up with its debts.

Among them is \$15 billion in bonds that voters authorized to help balance the budget in the midst of the last fiscal crisis just a few years ago. Today, the governor will propose delaying repayment of those bonds for a year, in the hope of generating \$1.5 billion to help eliminate the current shortfall.

Times staff writers Patrick McGreevy, Michael Rothfeld and Nancy Vogel contributed to this report.